

ATTN: FINANCIAL SERVICES TAX COMMITTEE (FATCA comments)

April 14, 2013

Dear Representative Smith and Larson,

I am writing to ask that the Financial Services Tax Committee of the Ways & Means Committee for Tax Reform to repeal or revise the Foreign Account Tax Compliance Act (FATCA) that is destroying the community of Americans working overseas. As a American citizens who lived and worked abroad, FATCA legislation is having serious negative consequences for those working abroad and for the US economy.

American citizens have become pariahs in the international financial community because of FATCA and are being denied financial tools essential for survival. Other examples of how FATCA impacts U.S. citizens working abroad:

- Inability to relocate and work internationally
- Denial of job opportunities or job advancement
- Closure or denial of financial instruments (pensions, insurance policies, bank accounts, etc.)
- Exposure to double taxation or increased tax burden
- Financially ruinous penalties due to broad application of criminal tax evasion regulations on those making simple filing errors due to complexity of US tax code.

I have been personally affected by this situation. Swiss banks in essence have stopped doing business with U.S. citizens or persons with U.S. tax obligations as a result of FATCA, even if they stayed compliant by declaring their foreign accounts to the IRS and following all reporting requirements established by the IRS (happened to me).

FATCA has achieved that financial and insurance providers err on the side of caution and simply decided to no longer do any business with U.S. citizens or anyone with U.S. tax obligations. For example, a U.S. citizen in Switzerland is essentially shut out from the possibility of owning an apartment or home. Swiss bank will no longer issue a mortgage to a U.S. citizen or person with U.S. tax obligations. In addition, it is becoming more and more difficult for U.S. citizens to find employment in Switzerland. Employers start shying away from hiring U.S. citizens due to the both perceived and real reporting requirements FATCA introduced. Also, there is only one bank left that offers basic checking account banking services for U.S. citizens. If that bank decides to stop doing that, U.S. citizens working in Switzerland will have a hard time getting employed since employers typically require a local checking account for direct deposit of pay/salary.

I realize that the law started out with good intentions trying to catch tax cheats, but it threw the kid out with the bath water with great repercussions for those who had followed the laws: with financial and insurances services being denied to U.S. citizens as a result of FATCA requirements and potential exposure to U.S. litigation, it has become cumbersome if not virtually impossible for any regular American to live and work abroad. In essence, FATCA is restricting the free (economic) movement of U.S. citizens.

Please repeal or revise FATCA and please seriously consider the RBT proposal submitted by American Citizens Abroad (ACA). A move towards a residence-based system, like the rest of the world, not only would it be simpler and fairer for Americans living abroad.

Yours sincerely,

Mark Bischof